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CENTRAL INTELLIGENCE AGENCY

**INFORMATION REPORT**

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The plants of the Production Area for Chemicals of the Ministry exhibited their products both in the inner city of Leipzig and on the grounds of the Technical Fair on the city outskirts.

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### 1. Political Aspects

There were some difficulties with the political aspects of the individual exhibits, particularly in Hall IX on the Technical Fair Grounds. The individual plants had been instructed to set up their exhibits so that the production, the social and the cultural organization would all appear. For each large establishment, specific formats were suggested as to inscriptions, types of pictures, etc. Actual execution was left to the plants themselves. However, after the displays were set up, it could be seen that while the letter of the instructions was followed, the utmost reserve was noted as to the spirit, i.e. the size of the pictures and the form of the political emphasis. As a result, Hall IX, and particularly the Chemical Area, appeared extremely neutral and non-political. There was gross negligence here on the part of both plant and party leadership, who obviously left everything to the ministerial organs and felt no personal responsibility for the political character of their displays.

### 2. Exhibitors

They concentrated on certain special products, particularly certain plastics, yarns, textile accessories and printing inks. Their stands were generally set up as information booths clearly learned at the last Fall Fair that they would be unable to conclude large-scale contracts. Therefore, they limited themselves to certain generally desirable products, and demonstrated their utilization, preparation and processing in an excellent form. The exhibitors in particular had exceptionally good prospectuses, far superior to ours in form and presentation.

### 3. Cooperation with DIA Chemie

a) Cooperation between the individual Kontor of DIA Chemie and the plants and the Marketing Department for Chemicals of the Ministry varied considerably from case

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to case.

b) One laudable example was the cooperation of all participating organs with respect to fostering business ties with India. Here, in negotiations between DIA Chemie, the head of the Marketing Department, and Rao (fnu), possibilities for a closer economic association were discussed and an exchange of scientists and agricultural experts organized. The talks continued after the Fair and concrete settlements were reached.

c) It must be pointed out however, that there is considerable danger in the tendency to cut our plants off completely from the outside world, from customers outside our borders, and channel all contacts through a trade organ, namely the DIA. In this connection, one problem deserves special attention - that of sending technical advisors and engineers to the People's Democracies and into the capitalist economic area. [redacted] particularly those [redacted] send their technicians and salesmen continually to the People's Democracies and to the capitalist countries. Thus, interest they have obtained is further cultivated and business ties solidly built up. In the interest of expanding our exports and utilizing our plants' capacities to the fullest, possibilities will have to be created in the future for the "bureaucratic" travel of our technicians and engineers and salesmen. We suggest therefore that in all plants of [redacted] whose products require specific technical consultation, a special cadre corps be developed. After being carefully examined from the cadre political viewpoint, this corps will be designated for travel abroad. Such an arrangement would simplify the whole procedure of granting foreign travel authorizations.

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d) We noticed in particular during the Fair that DIA Chemie served a large number of middlemen, while the number of sales to contractors who process our products themselves appeared to be relatively small. Foreign customers complained that in some areas the DIA dealt with certain traders who have a definite monopoly on the distribution of some products. [redacted] Price manipulations directed against the final customer were thereby possible and direct contact between consumer and the delivery firm was cut off. In our opinion, DIA should emphasize direct sales to consumers in capitalist countries in order to build up direct contact between plant and plant....and not remain dependent on certain speculative elements. DIA has also not seen fit to give the plants sufficient marketing information about the demands of the world market. With no satisfactory solution to this problem, we fear a definite stagnation in the export interests of our establishments.

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#### 4. Personnel at the Exhibits

The I.G.T. Farben firms, in our opinion, presented the best example as far as personnel was concerned, with their large staffs of technicians and salesmen. Their representatives were extremely polite and the method of giving out information and consulting was organized in a model form. Our own work in this area could be much improved. It was noteworthy that the [redacted] exhibitors appeared, during the first few days of the Fair at least, in their best clothes.

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#### 5. Visitors to the Fair

The policy of the Fair Office (Messeamt) in limiting the number of visitor permits for the first few days proved correct. Thus the really interested parties had the opportunity to conduct business with the DIA and the exhibitors in peace and quiet. We suggest that this policy be continued for the fairs which follow, since it aids sales activities.

#### 6. Patent Rights

There were difficulties during the course of the Fair over patent rights on insecticides. The fact that the Geigy Firm has certain patent rights is known everywhere. The same applies to the trade mark "AGFA" where a clarification is needed without delay. The representatives of Bayer-Leverkusen agreed to have a conference with us on this matter.

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